

**ST. TAMMANY PARISH FIRE PROTECTION
DISTRICT NO. 6**

**FINANCIAL STATEMENTS
(Reviewed)**

COVINGTON, LOUISIANA

YEAR ENDED DECEMBER 31, 2012

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date AUG 28 2013

ST. TAMMANY PARISH FIRE PROTECTION
DISTRICT NO. 6

DECEMBER 31, 2012

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BERNARD & FRANKS
A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS

JOSEPH V. FRANKS II, C.P.A.

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

Board of Commissioners
St. Tammany Parish Fire Protection District No. 6
Covington, Louisiana

We have reviewed the accompanying financial statements, as listed in the table of contents, of the St. Tammany Parish Fire Protection District No. 6, a component unit of St. Tammany Parish Consolidated Government, State of Louisiana, as of and for the year ended December 31, 2012. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the management of St. Tammany Parish Fire Protection District No. 6. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

The management of the St. Tammany Parish Fire Protection No. 6 is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with *Statements on Standards for Accounting and Review Services* issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Our review was made primarily for the purpose of expressing a conclusion that there are no material modifications that should be made to the financial statements for them to be in conformity with accounting principles generally accepted in the United States of America. The District has not presented Management's Discussion and Analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Bernard & Franks

April 29, 2013

ST. TAMMANY PARISH FIRE PROTECTION
DISTRICT NO. 6

STATEMENT OF NET POSITION
GOVERNMENTAL FUND BALANCE SHEET

December 31, 2012

See Accountant's Review Report

	<u>Amount</u>
ASSETS	
Current assets	
Cash	\$ 554,774
Due from Governmental Units:	
Ad valorem taxes	352,816
Revenue sharing	18,948
Due from others	645
Prepaid insurance	44,341
Total current assets	<u>\$ 971,524</u>
Capital Assets	
Non-depreciable	-
Depreciable, net of accumulated depreciation	<u>814,649</u>
TOTAL ASSETS	<u>\$ 1,786,173</u>
LIABILITIES	
Current liabilities	
Accounts payable	\$ 43,338
Payroll and retirement liabilities	9,175
Total current liabilities	<u>\$ 52,513</u>
TOTAL LIABILITIES	<u>\$ 52,513</u>
NET POSITION	
Invested in capital assets, net of related debt	\$ 814,649
Unrestricted	<u>919,011</u>
TOTAL NET POSITION	<u>\$ 1,733,660</u>

See notes to financial statements

ST TAMMANY PARISH FIRE PROTECTION
DISTRICT NO 6

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2012
See Accountant's Review Report

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Net (Expense) Revenue and Changes in Net Position</u>
Governmental activities					
Public safety	\$ 477,985	\$ -	\$ -	\$ -	\$ (477,985)
Total governmental activities	<u>\$ 477,985</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (477,985)</u>
General revenues					
Taxes:					
Ad valorem					\$ 393,251
Fire insurance tax					19,122
State revenue sharing					18,959
Interest					414
Gain on asset					1,564
Other					303
Total general revenues					<u>\$ 433,613</u>
Change in net position					(44,372)
Net position- beginning of year					<u>1,778,032</u>
Net position-end of year					<u>\$ 1,733,660</u>

See notes to the financial statements

ST. TAMMANY PARISH FIRE PROTECTION
DISTRICT NO 6

GOVERNMENTAL FUND BALANCE SHEET

December 31, 2012

See Accountant's Review Report

	GENERAL FUND	ADJUSTMENTS (EXHIBIT A)	STATEMENT OF POSITION
ASSETS			
Cash	\$ 554,774	\$ -	\$ 554,774
Due from Governmental Units:			
Ad valorem taxes	352,816	-	352,816
Revenue sharing	18,948	-	18,948
Due from others	645	-	645
Prepaid insurance	44,341	-	44,341
Capital Assets			
Non-depreciable	-	-	-
Depreciable, net of accumulated depreciation	-	814,649	814,649
TOTAL ASSETS	<u>\$ 971,524</u>	<u>\$ 814,649</u>	<u>\$ 1,786,173</u>
LIABILITIES			
Accounts payable	\$ 43,338	\$ -	\$ 43,338
Payroll and retirement liabilities	9,175	-	9,175
TOTAL LIABILITIES	<u>\$ 52,513</u>	<u>\$ -</u>	<u>\$ 52,513</u>
FUND BALANCE			
Nonspendable			
Prepaid items	\$ 44,341	\$ (44,341)	\$ -
Unassigned	874,670	(874,670)	-
TOTAL FUND BALANCE	<u>\$ 919,011</u>	<u>\$ (919,011)</u>	<u>\$ -</u>
TOTAL LIABILITIES & FUND BALANCE	<u>\$ 971,524</u>		
NET POSITION			
Invested in capital assets, net of related debt		\$ 814,649	\$ 814,649
Unrestricted		919,011	919,011
TOTAL NET POSITION		<u>\$ 1,733,660</u>	<u>\$ 1,733,660</u>

See notes to financial statements

ST. TAMMANY PARISH FIRE PROTECTION
DISTRICT NO 6

RECONCILIATION OF THE GOVERNMENTAL FUND
BALANCE SHEET TO THE STATEMENT OF NET POSITION
(EXHIBIT A)

December 31, 2012

See Accountant's Review Report

Fund Balance at December 31, 2012 - Governmental Fund	\$ 919,011
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Amounts reported for governmental activities in the statement
of net position are different because:

Capital assets are used in governmental activities are not financial
resources and, therefore, are not reported in the fund.

Capital assets	\$ 1,562,041	
Less accumulated depreciation	<u>747,392</u>	<u>814,649</u>

Net position of governmental activities at December 31, 2012	<u>\$ 1,733,660</u>
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See notes to the financial statements

ST TAMMANY PARISH FIRE PROTECTION
DISTRICT NO 6

STATEMENTS OF ACTIVITIES AND STATEMENT OF
GOVERNMENTAL FUND REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE

December 31, 2012

See Accountant's Review Report

	GENERAL FUND	ADJUSTMENTS (EXHIBIT B)	STATEMENT OF ACTIVITIES
REVENUES			
Taxes	\$ 393,251	\$ -	\$ 393,251
Intergovernmental			
State of Louisiana:			
State revenue sharing	18,959	-	18,959
Fire insurance tax	19,122	-	19,122
Miscellaneous			
Interest	414	-	414
Gain on asset	1,564	-	1,564
Other	303	-	303
Total revenues	<u>\$ 433,613</u>	<u>\$ -</u>	<u>\$ 433,613</u>
Expenditures/Expenses			
Current:			
Public safety			
Professional fees	\$ 9,265	\$ -	\$ 9,265
Personnel	212,538	-	212,538
Insurance	58,513	-	58,513
Repairs and maintenance	13,529	-	13,529
Utilities	9,054	-	9,054
Truck expense	59,585	-	59,585
Training	1,083	-	1,083
Dispatch fees	14,764	-	14,764
Telephone	4,404	-	4,404
Supplies	22,033	-	22,033
Depreciation	-	73,217	73,217
Total public safety	<u>\$ 404,768</u>	<u>\$ 73,217</u>	<u>\$ 477,985</u>
Capital outlay	<u>9,774</u>	<u>(9,774)</u>	<u>- -</u>
Total expenditures/expenses	<u>\$ 414,542</u>	<u>\$ 63,443</u>	<u>\$ 477,985</u>
Net change in fund balance	\$ 19,071	\$ (19,071)	\$ -
Change in net position	-	(44,372)	(44,372)
FUND BALANCE/NET POSITION			
Beginning of year	<u>899,940</u>	<u>878,092</u>	<u>1,778,032</u>
End of year	<u>\$ 919,011</u>	<u>\$ 814,649</u>	<u>\$ 1,733,660</u>

See notes to the financial statements

ST TAMMANY PARISH FIRE PROTECTION
DISTRICT NO. 6

RECONCILIATION OF THE STATEMENT OF GOVERNMENTAL
FUND REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE TO THE STATEMENT OF ACTIVITIES
(EXHIBIT B)

December 31, 2012

See Accountant's Review Report

Amounts reported for governmental activities in the Statement of
Activities are different because:

Net Change in Fund Balance - Governmental Fund	\$ 19,071
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Amounts reported for governmental activities in the statement of
activities are different because:

Governmental funds report capital outlays as expenditures. However
in the statement of activities the cost of those assets are allocated over their
estimated useful lives and reported as depreciation expense.

Capital outlay and debt reduction	\$ 9,774	
Depreciation expense	<u>73,217</u>	
Excess of capital outlay and debt reduction over depreciation expense		<u>(63,443)</u>
Change in net position of governmental activities		<u>\$ (44,372)</u>

See notes to the financial statements.

ST TAMMANY PARISH FIRE PROTECTION
DISTRICT NO 6

STATEMENT OF GOVERNMENTAL FUND REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -

GENERAL FUND

December 31, 2012

See Accountant's Review Report

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES				
Taxes	\$ 380,000	\$ 380,000	\$ 393,251	\$ 13,251
Intergovernmental				
State of Louisiana				
State revenue sharing	18,000	18,000	18,959	959
Fire insurance tax	16,000	20,000	19,122	(878)
Miscellaneous				
Interest	1,000	400	414	14
Gain on asset	-	1,800	1,564	(236)
Other	-	-	303	303
Total revenues	<u>\$ 415,000</u>	<u>\$ 420,200</u>	<u>\$ 433,613</u>	<u>\$ 13,413</u>
EXPENDITURES/EXPENSES				
Current				
Public safety				
Professional fees	\$ 14,000	\$ 10,000	\$ 9,265	\$ 735
Personnel	144,000	209,000	212,538	(3,538)
Insurance	52,000	57,000	58,513	(1,513)
Repairs and maintenance	40,000	14,000	13,529	471
Utilities	12,000	8,000	9,054	(1,054)
Truck expense	35,000	60,200	59,585	615
Training	4,000	2,000	1,083	917
Dispatch fees	17,000	17,000	14,764	2,236
Telephone	4,000	4,000	4,404	(404)
Supplies	17,000	25,000	22,033	2,967
Grant expense	-	4,000	-	4,000
Total public safety	<u>\$ 339,000</u>	<u>\$ 410,200</u>	<u>\$ 404,768</u>	<u>\$ 5,432</u>
Capital outlay and debt reduction	<u>76,000</u>	<u>10,000</u>	<u>9,774</u>	<u>226</u>
Total expenditures/expenses	<u>\$ 415,000</u>	<u>\$ 420,200</u>	<u>\$ 414,542</u>	<u>\$ 5,658</u>
EXCESS OF EXPENDITURES/EXPENSES OVER REVENUES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,071</u>	<u>\$ 19,071</u>
FUND BALANCE				
Beginning of year	<u>899,940</u>	<u>899,940</u>	<u>899,940</u>	
End of year	<u>\$ 899,940</u>	<u>\$ 899,940</u>	<u>\$ 919,011</u>	

See notes to the financial statements

ST. TAMMANY PARISH FIRE PROTECTION
DISTRICT NO 6

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2012

See Accountant's Review Report

NOTE 1. GENERAL STATEMENT AND SUMMARY OF SIGNIFICANT
ACCOUNTING POLICIES

The St. Tammany Parish Fire Protection District No 6 (the District) was created on September 17, 1970 by the St. Tammany Parish Police Jury, as provided by Louisiana Revised Statute 40:1492. The District was created to acquire, maintain, and operate buildings, machinery, equipment, water tanks, water hydrants and water lines, and other such things necessary to provide proper fire prevention and control within the District's limits. The administration of the District is governed by a board of commissioners consisting of 5 members who are resident property taxpayers of the district. These members are appointed by the St. Tammany Parish Police Jury and serve 2 years without remuneration. The District operates three fire stations and provides fire protection services in an area covering approximately 55 square miles.

The accounting policies of the District conform to accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of significant accounting policies:

a) Reporting Entity

The District is a component unit of St. Tammany Parish Consolidated Government (the Parish) and as such, these financial statements will be included in the Comprehensive annual financial report (CAFR) of the Parish for the year ended December 31, 2012.

The District has reviewed all of its activities and determined that there are no potential component units which should be included in its financial statements.

b) Basis of Presentation

Government-wide Financial Statements:

The government-wide financial statements include the statement of net position and statement of activities for all non-fiduciary activities of the District. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which are financed to a significant extent by fees and charges for support.

ST TAMMANY PARISH FIRE PROTECTION
DISTRICT NO. 6

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2012

See Accountant's Review Report

NOTE 1. GENERAL STATEMENT AND SUMMARY OF SIGNIFICANT
ACCOUNTING POLICIES (Continued)

b) Basis of Presentation (Continued)

Government-wide Financial Statements:

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues. There were no program revenues for the year ended December 31, 2012.

Fund Financial Statements:

The fund financial statements are very similar to the traditional government fund statements as presented by governments prior to the issuance of GASB Statement No. 34. Emphasis is now on the major funds in either the governmental or business-type categories. Non-major funds (by category) or fund type are summarized into a single column. The District has no non-major funds.

The daily accounts and operation of the District continue to be organized on the basis of funds, each of which is considered a separate accounting entity. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain functions or activities. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise assets, liabilities, equity, revenues and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

The District reports only one governmental fund and it represents the major governmental fund:

The *General Fund* is the principal fund of the District and is used to account for all activities except those required to be accounted for in other funds.

ST TAMMANY PARISH FIRE PROTECTION
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NOTES TO THE FINANCIAL STATEMENTS
December 31, 2012
See Accountant's Review Report

NOTE 1. GENERAL STATEMENT AND SUMMARY OF SIGNIFICANT
ACCOUNTING POLICIES (Continued)

b) Basis of Presentation (Continued)

Management's Discussion and Analysis

The Governmental Accounting Standards Board Statement requires a Management's Discussion and Analysis (MD&A) section providing an analysis of the District's overall financial position and results of operations and financial statements prepared using full accrual accounting for all of the District's activities. The District has not presented Management's Discussion and Analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements.

c) Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Government-wide Financial Statements:

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized in the year for which they are levied.

Fund Financial Statements:

All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other uses) in net current assets. Governmental funds are maintained on the modified accrual basis of accounting.

Governmental fund revenues resulting from exchange transactions are recognized in the fiscal year in which the exchange takes place and meets the government's availability criteria (susceptible to accrual). Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For this purpose, the District considers revenues to

ST TAMMANY PARISH FIRE PROTECTION
DISTRICT NO 6

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2012

See Accountant's Review Report

NOTE 1. GENERAL STATEMENT AND SUMMARY OF SIGNIFICANT
ACCOUNTING POLICIES (Continued)

c) Measurement Focus and Basis of Accounting (Continued)

Fund Financial Statements: (Continued)

be available if they are collected within 60 days of the end of the current fiscal year. Ad valorem taxes and the related state revenue sharing (Intergovernmental revenue) are recognized as revenue in the year the taxes are assessed. Ad valorem taxes are assessed on a calendar year basis, become due on November 15 of year, and become delinquent on December 31. The taxes are generally collected in December of the current year and January and February of the ensuing year. Miscellaneous revenues are recorded as revenues when received in cash by the District because they are generally not measurable until actually received.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is principal and interest on general long-term debt which is recognized when due. Allocations of cost such as depreciation are not recognized in the governmental funds.

The District adopted the provisions of GASB Statement No. 54, *Fund Balance Reporting and Government Fund Type Definitions*, which changed the reporting of fund balance in the balance sheets of governmental fund types. In fund financial statements, fund balance for governmental funds, is reported in classifications that comprise a hierarchy primarily on the extent to which the District is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components-nonspendable, restricted, committed, assigned and unassigned.

- *Nonspendable* – This component consists of amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- *Restricted* – This component consists of amounts that have constraints placed on them either externally by third-parties (creditors, grantors, contributions, or laws or regulations of other governments) or by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the District to assess, levy, change or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement (compelled by external parties) that those resources be used only for the specific purposes stipulated in the legislation.

ST. TAMMANY PARISH FIRE PROTECTION
DISTRICT NO. 6

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2012

See Accountant's Review Report

NOTE 1. GENERAL STATEMENT AND SUMMARY OF SIGNIFICANT
ACCOUNTING POLICIES (Continued)

Fund Financial Statements (Continued)

- *Committed* – This component consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the District. Those committed amounts cannot be used for any other purpose unless the District removes or changes the specified use by taking the same type of action (ordinance or resolution) it employed previously to commit those amounts.
- *Assigned* – This component consists of amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. The authority for assigning fund balance is expressed by the District or the designee as established in the District's Fund Balance Policy.
- *Unassigned* – This component consists of amounts that have not been restricted, committed or assigned to specific purposes within the general fund. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources (committed, assigned and unassigned) are available for use. It is the District's policy to use committed resources first, then assigned, and then unassigned as they are needed.

During the year ended December 31, 2012, the District adopted the provisions of GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. GASB Statement No. 63 provided financial reporting guidance for deferred outflows of resources and deferred inflows of resources and also redefined the residual of all other elements presented in a statement of financial position as net position.

d) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain report amounts and disclosures. Accordingly, actual results could differ from those estimates.

ST TAMMANY PARISH FIRE PROTECTION
DISTRICT NO. 6

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2012
See Accountant's Review Report

NOTE 1. GENERAL STATEMENT AND SUMMARY OF SIGNIFICANT
ACCOUNTING POLICIES (Continued)

Fund Financial Statements: (Continued)

e) Operating Budgetary Data

As required by the Louisiana Revised Statute 39:1303, the Board of Commissioners (the Board) adopted a budget for the District's General Fund. The budgetary practices include public notice of the proposed budget, public inspection of the proposed budget and public hearing on the budget prior to adoption. Any amendment involving the transfer of monies from one function to another or increases in expenditures must be approved by the Board. The District amended its budget once during the year. All budgeted amounts which are not expended, or obligated through contracts, lapse at year end.

The General Fund budget is adopted on a basis materially consistent with accounting principles generally accepted in the United States of America and is included in the budget presentation in the basic financial statements.

f) Accounts Receivable

The financial statements for the District contain no allowance for uncollectible accounts. Uncollectible amounts due for ad valorem taxes are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. These amounts are not considered to be material in relation to the financial position or operations of the fund.

g) Cash

Cash included amounts in interest bearing demand deposits. Under state law, the District may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or banks having their principal offices in Louisiana.

ST. TAMMANY PARISH FIRE PROTECTION
DISTRICT NO 6

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2012
See Accountant's Review Report

NOTE 1. GENERAL STATEMENT AND SUMMARY OF SIGNIFICANT
ACCOUNTING POLICIES (Continued)

h) Capital Assets

The accounting treatment over property, plant and equipment (capital assets) depends on whether the assets are reported in the government-wide or fund financial statements

Government-wide Financial Statements.

In the government-wide financial statements, fixed assets are accounted for as capital assets. Capital assets purchased or acquired with an original cost of \$500 or more are valued at historical cost or estimated historical cost if actual is unavailable, except for donated capital assets which are recorded at their estimated fair value at the date of donation. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance is expensed as incurred.

Depreciation of all exhaustible capital assets is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	40 years
Furniture and equipment	5-10 years
Vehicles	15 years

Fund Financial Statements.

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

i) Long-Term Debt

The accounting treatment of long-term debt depends on whether they are reported in the government-wide or fund financial statements.

ST TAMMANY PARISH FIRE PROTECTION
DISTRICT NO. 6

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2012
See Accountant's Review Report

NOTE 1. GENERAL STATEMENT AND SUMMARY OF SIGNIFICANT
ACCOUNTING POLICIES (Continued)

i) Long-Term Debt (continued)

Government-wide Financial Statements.

All long-term debt to be repaid from governmental resources is reported as liabilities in the government-wide statements. The long-term debt consists of general obligation bonds.

Fund Financial Statements:

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payments of principle and interest reported as expenditures

j) Vacation, Sick Leave, and Pension

All members of the District's firefighting force serve as volunteers. Therefore, the District does not have a vacation, sick leave or pension plan.

k) Fund Equity

Government-wide Financial Statements:

Equity is classified as net assets and displayed in three components:

1. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
2. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributions or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

ST TAMMANY PARISH FIRE PROTECTION
DISTRICT NO 6

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2012
See Accountant's Review Report

NOTE 1. GENERAL STATEMENT AND SUMMARY OF SIGNIFICANT
ACCOUNTING POLICIES (Continued)

3. Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt”.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed. As of December 31, 2012 and for the year then ended, the District did not have or receive restricted net assets.

Fund Financial Statements:

Governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated.

NOTE 2. DEPOSITS AND INVESTMENTS

Louisiana state law allows all political subdivisions to invest excess funds in obligations of the United States, certificates of deposit of any bank domiciled or having a branch office in the state of Louisiana or any other federally insured investment

Bank Deposits:

State law requires deposits (cash and certificates of deposit) of all political subdivisions to be fully collateralized at all times. Acceptable collateralization includes FDIC insurance and the market value of securities purchased and pledged to the political subdivision. Obligations of the United States, the State of Louisiana and certain political subdivisions are allowed as security for deposits. Obligations furnished as security must be held by the political subdivision or with an unaffiliated bank or trust company for the account of the political subdivision.

Cash and deposits are categorized into three categories of credit risk.

Category 1 includes deposits covered by federal depository insurance or by collateral held by the District or its agent in the District's name.

Category 2 includes deposits covered by collateral held by the pledging financial institution's trust department or its agent in the District's name.

ST. TAMMANY PARISH FIRE PROTECTION
DISTRICT NO. 6

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2012

See Accountant's Review Report

NOTE 2. DEPOSITS AND INVESTMENTS (Continued)

Category 3 includes deposits covered by collateral held by the pledging financial institution or its trust department or agent but not in the District's name and deposits which are uninsured and uncollateralized.

The year end balances of deposits are as follows:

	Bank Balances			
	Category			
	1	2	3	Book Balance
Cash	<u>\$ 250,000</u>	<u>\$ 304,774</u>	<u>\$ ---</u>	<u>\$ 554,774</u>
Totals	<u>\$ 250,000</u>	<u>\$ 304,774</u>	<u>\$ ---</u>	<u>\$ 554,774</u>

At December 31, 2012, the District held cash (bank balance) of \$554,774 in interest bearing demand deposits. These deposits were secured from risk of FDIC insurance and pledges of security by the fiscal agent bank.

NOTE 3. PROPERTY TAXES

Property taxes are levied each November 1st on the assessed value listed as of prior January 1st for all real property, merchandise and movable property located in the Parish. Assessed values are established by the St. Tammany Parish Assessor's Office and the State Tax Commission at percentages of actual value as specified by Louisiana law. A reevaluation of all property is required to be completed no less than every four years. Taxes are due and payable December 31st with interest being charged on payments after January 1st. Taxes can be paid through the tax sale date, which is the last Wednesday in June. Properties for which the taxes have not been paid are sold for the amounts of the taxes. The tax rate for the year ended December 31, 2012 was \$20.12 per \$1,000 of assessed valuation on property within the District for the purpose of constructing, maintaining and operating fire protection facilities within the District and paying the cost of obtaining water for fire protection purposes.

ST. TAMMANY PARISH FIRE PROTECTION
DISTRICT NO 6

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2012

See Accountant's Review Report

NOTE 4. CHANGES IN CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2012 was as follows:

	Balance January 1, 2012	Additions	Dispositions	Balance December 31, 2012
Capital assets not being depreciated:				
Land	\$ 52,277	\$ -	\$ -	\$ 52,277
Capital assets being depreciated:				
Buildings	\$ 335,788	\$ -	\$ -	\$ 335,788
Leasehold improvements	56,091	7,450	-	63,541
Furniture and equipment	470,817	2,461	-	473,278
Vehicles	640,577	-	(3,420)	637,157
Total capital assets being depreciated	\$ 1,503,273	\$ 9,911	\$ (3,420)	\$ 1,509,764
Less accumulated depreciation for:				
Buildings	\$ (89,913)	\$ (8,082)	\$ -	\$ (97,995)
Leasehold improvements	(1,727)	(1,591)	-	(3,318)
Furniture and equipment	(273,817)	(32,205)	-	(306,022)
Vehicles	(312,001)	(31,339)	3,283	(340,057)
Total accumulated depreciation	\$ (677,458)	\$ (73,217)	\$ 3,283	\$ (747,392)
Total capital assets being depreciated, net	825,815	(63,306)	(137)	762,372
Total capital assets, net	\$ 878,092	\$ (63,306)	\$ (137)	\$ 814,649

NOTE 5 ACCOUNTS PAYABLE AND ACCRUED EXPENDITURES

Accounts payable and accrued expenditures at December 31, 2012 consisted of the following:

Vendors \$ 43,338

ST TAMMANY PARISH FIRE PROTECTION
DISTRICT NO 6

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2012

See Accountant's Review Report

NOTE 6. RISK MANAGEMENT

The District is exposed to various risks of loss related to workers' compensation; torts; theft of, damage to and destruction of assets; errors and omissions and natural disasters; for which the District carries commercial insurance. The premiums for group insurance are based on a fixed rate per employee. There was no litigation pending against the District as of December 31, 2012.

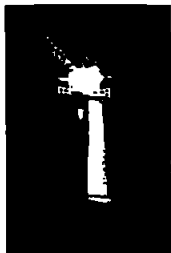
NOTE 7. COMPENSATION OF BOARD MEMBERS

The Board of Commissioners serves the District without compensation.

NOTE 8. SUBSEQUENT EVENTS

The Fire District evaluated subsequent events through April 29, 2013, the date which the financial statements were available to be issued.

SPECIAL REPORT OF CERTIFIED PUBLIC ACCOUNTANT



BERNARD & FRANKS
A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS

JOSEPH V FRANKS II, C.P.A.

NICHOLAS F CHETTA, C.P.A.

NICHOLAS W LAFRANZ III, C.P.A.

JAMES L WHITE, C.P.A.

**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES**

Board of Commissioners
St. Tammany Parish Fire Protection District No. 6
Covington, Louisiana

We have performed the procedures included in the Louisiana Government Audit Guide and enumerated below, which were agreed to by the management of the St. Tammany Parish Fire Protection District No. 6 and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the St. Tammany Parish Fire Protection District No. 6 compliance with certain laws and regulations during the year ended December 31, 2012 included in the accompanying Louisiana Attestation Questionnaire. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

PUBLIC BID LAW

1. Select all expenditures made during the year for material and supplies exceeding \$30,000 or public works exceeding \$150,000, and determine whether such purchases were made in accordance with LSA-RS38 2211-2296 (the public bid law) or R.S. 39 1551-39 1775 (the state procurement code), whichever is applicable.

There were no expenditures in excess of the stated above amounts for materials and supplies and the public bid law.

CODE OF ETHICS FOR PUBLIC OFFICIALS AND PUBLIC EMPLOYEES

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS42:1101-1124 (the code of ethics) and a list of outside business interest of all board members and employees, as well as their immediate families.

Management provided us with the required list including the noted information.

- 3 Obtain from management a listing of all employees paid during the period under examination.

Management provided us with the required list.

- 4 Determine whether any of those employees included in the listing obtained from management in agreed-upon procedures 3 were also included on the listing obtained from management in agreed-upon procedure 2 as immediate family members.

None of the employees contained on the listing obtained from management were included on the listing of immediate family members.

BUDGETING

5. Obtain a copy of the legally adopted budget and all amendments.

Management provided us with copies of the original and amended budget.

6. Trace the budget adoption and amendments to the minute book

We traced the adoption of the original budget to the minutes of a meeting held on which indicated that the budget had been adopted by the commissioners of St. Tammany Parish Fire Protection District No. 6. The budget adoption was traced to the minute book.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues failed to meet budgeted revenues by 5% or more, or if actual expenditures exceeded budgeted amounts by 5% or more.

Utilities expenditures exceeded budgeted amounts by 13% with an unfavorable variance of \$1,054. Telephone expenditures exceeded budgeted amounts by 10% with an unfavorable variance of \$404.

ACCOUNTING AND REPORTING

8. Randomly select 6 disbursements made during the period under examination and:

- (a) Trace payments to supporting documentation as to proper amount and payee.

We examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.

- (b) Determine if payments were properly coded to the correct fund and general ledger account.

All of the payments were properly coded to the correct fund and general ledger account

- (c) Determine whether payments received approval from proper authorities.

Inspection of documentation supporting each of the six selected disbursements indicated proper approval was obtained.

MEETINGS

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS42:1 through 42:12 (the open meetings law).

Agendas for meetings were posted as required by law.

DEBT

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

We inspected copies of all bank deposits for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

ADVANCES AND BONUSES

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees who may constitute bonuses, advance or gifts.

We examined the payroll records and minutes for the year to determine whether any payments have been made to employees who may constitute bonuses, advance or gifts. There were no payments to employees who may constitute bonuses, advance or gifts.

Bernard & Frank

April 29, 2013

REPORTS BY MANAGEMENT

ST TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 6
MANAGEMENT'S CORRECTIVE ACTION PLAN

DECEMBER 31, 2012

FINDING

2012-01 UNFAVORABLE BUDGET VARIANCES

Utilities expenditures were \$1,054 over budget for the year ended December 31, 2012. This represented a thirteen percent (13%) unfavorable budget variance.

Telephone expenditures were \$404 over budget for the year ended December 31, 2012. This represented a ten percent (10%) unfavorable budget variance.

RECOMMENDATION

The District should refine its budgeting process to better project the revenue and expense accounts.

MANAGEMENT'S CORRECTIVE ACTION PLAN

The Board of Directors will regularly review the comparison to budget to actual revenues and will recommend budget amendments when appropriate.

Management plans to account for possible unexpected expenses within the budget.

**ST TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 6
MANAGEMENT'S PRIOR YEAR CORRECTIVE ACTION PLAN**

DECEMBER 31, 2012

2011-01. UNFAVORABLE BUDGET VARIANCES

Tax revenues were under budget by \$61,235 for the year ended December 31, 2011. This represented sixteen percent (16%) unfavorable budget variance.

Truck expenditures were \$1,898 over budget for the year ended December 31, 2011. This represented a six percent (6%) unfavorable budget variance.

Utilities expenditures were \$2,052 over budget for the year ended December 31, 2011. This represented a twelve percent (12%) unfavorable budget variance.

RECOMMENDATION

The District should refine its budgeting process to better project the revenue and expense accounts.

MANAGEMENT'S CORRECTIVE ACTION PLAN

The Board of Directors will regularly review the comparison to budget to actual revenues and will recommend budget amendments when appropriate.

Management plans to account for possible unexpected expenses within the budget.

FINDING

2011-02: CODE OF ETHICS FOR PUBLIC OFFICIALS AND PUBLIC EMPLOYEES

The District purchased approximately \$743 in supplies from a hardware store owned by a family member of one of the board members.

RECOMMENDATION

The Fire District should ensure that all vendors are appropriate by following the code of ethics for public officials and public employees

MANAGEMENT'S CORRECTIVE ACTION PLAN

It was brought to the attention of the District that purchases from related establishments are not allowed under state law. The District has ceased all purchases with the hardware store and will not make purchases from the entity in the future

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Government)

4/29/13 (Date Transmitted)

Bernard + Franks

4141 Veterans Blvd Ste 313

Metairie LA 70002

(Auditors)

In connection with your review of our financial statements as of December 31, 2012 and for the year then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the Louisiana Governmental Audit Guide, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of (date of completion/representations).

Public Bid Law

It is true that we have complied with the public bid law, R.S. Title 38:2211-2296, and, where applicable, the regulations of the Division of Administration and the State Purchasing Office.

Yes ☒ No ☐

Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of R.S. 42:1101-1124.

Yes ☒ No ☐

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of R.S. 42:1119.

Yes ☒ No ☐

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (R.S. 39:1301-15), R.S. 39:33, or the budget requirements of R.S. 39:1331-1342, as applicable.

Yes ☒ No ☐

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by R.S. 44:1, 44:7, 44:31, and 44:36.

Yes ☒ No ☐

We have filed our annual financial statements in accordance with R.S. 24:514, and 33:463 where applicable.

Yes ☒ No ☐

We have had our financial statements reviewed in accordance with R.S. 24:513.

Yes ☒ No ☐

Meetings

We have complied with the provisions of the Open Meetings Law, provided in R.S. 42:11 through 42:28.

Yes ☒ No ☐

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements.

without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and R S. 39 1410 60-1410 65

Yes [☒] No []


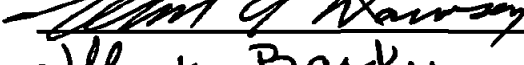
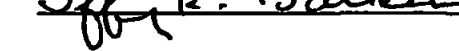
Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, R S 14 138, and AG opinion 79-729

Yes [☒] No []

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance that may occur subsequent to the issuance of your report.

	Secretary	6/5/13	Date
	Treasurer	6-5-13	Date
	President	6-5-13	Date